

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4705-01
Bill No.: HB 1291
Subject: Transportation; Crimes and Punishment
Type: Original
Date: January 31, 2014

Bill Summary: This proposal specifies that fines collected from red-light camera violations shall be used to assist the funding of driver's education programs in the local school district of the municipality in which the fine was collected.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government*	\$0	\$0	\$0

* Transfers of fine revenue from cities to local school districts net to \$0.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue**, the **Office of the State Courts Administrator** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **City of St Louis (STL)** note the cost of automated traffic enforcement system monitoring is paid through a portion of the fines imposed on those who violate traffic ordinances.

STL states, diverting the fine revenue to the local schools would have a significant negative impact, resulting in the loss of approximately \$3.5 million in net revenue annually to STL, in addition to losing the source of funding for this public safety monitoring system.

Officials from the **City of Columbia** assume that all revenue from red light camera photo enforcement will transfer to the school district and create a loss for the city. It is projected \$90,000 in revenue from fines would be diverted to school districts.

In response to a similar proposal from last year (HB 469), officials from the **City of Kansas City (KC)** assumed the city collects approximately \$3.5 million annually in fines for red light camera violations. KC estimates the following revenue loss to the city as a result of this proposal.

FY 2014: \$2.33 million

FY 2015: \$3.5 million

FY 2016: \$3.5 million

In response to a similar proposal from last year (HB 469), Officials from the **Francis Howell School District (FHSD)** assumed a positive impact for the district. Some of the municipalities within the district do have “red light” cameras. However FHSD has no way of gauging how much revenue is currently generated through traffic fines assessed using “red light” cameras.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal requires that fines collected from automated traffic enforcement systems be given to the school district where the violation occurred to be used for transportation purposes. It also states that the money shall not be included in such district's "local effort" figure as specified in section 163.011.

DESE notes, currently fine moneys are placed in the Teachers' Fund. While these fines may not make up a large percentage of fines received, there will be a reduction in money going into the Teachers' Fund.

DESE states fine money is currently distributed on September membership of the school district; not where the fine actually occurs. This could cause a reduction in fine receipts to some schools in the county. It will certainly mean that not all districts will share in the automated traffic enforcement fine proceeds as they do with other fines.

DESE assumes by not being added to the local effort the district will be entitled to more state aid because the deduction for fines in the local effort is smaller than it otherwise would be. If the formula is fully funded, the proposal creates a greater formula call because of this lower local effort. Because of this larger formula call, if the formula is underfunded, it would cause the funding percentage to drop and thus cause a shifting of money from other districts to fund the gain of the districts with the lower local effort.

DESE assumes if the formula is underfunded, there is no increased cost to the state. If the formula is fully funded it is impossible to determine the added cost to the state because of the many unknown variables.

Oversight assumes that the cities that currently have automated traffic enforcement systems will lose an unknown amount of fine revenue currently collected and those revenues will be transferred to the local school district within the city.

Oversight has no way of determining whether the foundation formula for school districts will be fully funded over the fiscal note period, for the purpose of the fiscal note, **Oversight** will assume there is no direct fiscal impact to state government funds.

Oversight assumes that the cities that currently have red light cameras will lose an unknown amount of fine revenue currently collected and the school district within that city will gain the fine revenue.

ASSUMPTION (continued)

Officials from the **Blue Springs Public Schools Districts** and the **Branson Public Schools Districts** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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LOCAL POLITICAL SUBDIVISIONS

<u>Transfer In</u> - Local School Districts § 304.850 - fine revenue from automated photo red light enforcement systems	Unknown	Unknown	Unknown
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<u>Transfer Out</u> - Cities § 304.850 - Fine revenue from automated photo red light enforcement systems	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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* Transfers fine revenue from cities to local school districts net to \$0.

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

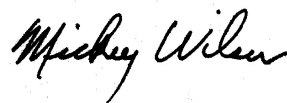
FISCAL DESCRIPTION

This proposal requires that any fine imposed for a violation detected through the use of an automatic traffic enforcement system, as defined in the proposal, must be transferred to the school district where the violation occurred to be used for drivers education courses. The fines cannot be included in the district's local effort amount that would otherwise decrease its level of statefunding.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of the State Courts Administrator
Missouri Highway Patrol
Department of Revenue
City of Columbia
City of St. Louis
City of Kansas City
Francis Howell School District



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Director
January 31, 2014

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January 31, 2014